



Department of Justice

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JUSTICE DEPARTMENT APPROVES CAPSTAR BROADCASTING PARTNERS' ACQUISITION OF PATTERSON BROADCASTING

WASHINGTON, D.C. -- The Department of Justice today cleared Capstar Broadcasting Partners' acquisition of Patterson Broadcasting, after Capstar agreed to sell the two Allentown, Pennsylvania radio stations acquired in the transaction. With this sale, the merger between Capstar and Patterson will not increase Capstar's share of radio advertising revenue in Allentown.

After the Department's Antitrust Division expressed concerns that the Capstar/Patterson transaction would increase concentration and lessen competition for radio advertising in Allentown, Capstar agreed to sell the two Allentown stations, WODE-FM and WEEX-FM, to Clear Channel Metroplex, Inc., a subsidiary of San Antonio-based Clear Channel Communications, Inc.

"The sale of the two Allentown stations will ensure that the consumers who buy advertising will continue to have the benefits of competition, including lower prices and better services," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division, "This sale resolves the Department's antitrust concerns, making an enforcement action unnecessary."

The Capstar/Patterson transaction involved 31 stations in 11 U.S. cities. The divestiture package resulted from the Department's antitrust investigation of the Allentown market, which was the only market involved in the Capstar/Patterson transaction where both Capstar and Patterson owned or operated radio stations.

Allentown is ranked by BIA as the 65th largest radio advertising market, with 1996 revenues of approximately \$22 million. It has 8 FM, and 11 AM, radio stations.

Capstar Broadcasting Partners is headquartered in Austin, Texas. Its 1996 revenues were approximately \$70 million. Patterson's 1996 revenues were approximately \$51 million.

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